

University of Montana ScholarWorks at University of Montana

Max S. Baucus Speeches

Archives and Special Collections

6-9-2003

Talking Points, Finance Democrats Meeting

Max S. Baucus

Let us know how access to this document benefits you.

Follow this and additional works at: https://scholarworks.umt.edu/baucus_speeches

Recommended Citation

Baucus, Max S., "Talking Points, Finance Democrats Meeting" (June 9, 2003). *Max S. Baucus Speeches*. 751.
https://scholarworks.umt.edu/baucus_speeches/751

This Speech is brought to you for free and open access by the Archives and Special Collections at ScholarWorks at University of Montana. It has been accepted for inclusion in Max S. Baucus Speeches by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact scholarworks@mso.umt.edu.

Printing, Graphics & Direct Mail
Document Archiving
Indexing Form

Senator * or Department*: **BAUCUS**

Instructions:

Prepare one form for insertion at the beginning of each record series.

Prepare and insert additional forms at points that you want to index.

For example: at the beginning of a new folder, briefing book, topic, project, or date sequence.

Record Type*: Floor Statements & Congressional Rec

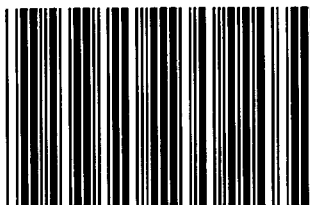
June-2003

Talking Points for Finance Democrats Meeting

(select subject from controlled vocabulary, if your office has one)

06/09/2003

CLICK TO PRINT



BAUCUS

SENATOR MAX BAUCUS
TALKING POINTS FOR FINANCE DEMOCRATS MEETING
June 9, 2003, 5:15 PM

- This is the last member meeting we have scheduled prior to the scheduled Thursday markup.
- I wanted to let you all know about what we've heard from CBO and the changes we've made as a result of their input.
- First, we received a score of about \$351 billion for our proposal. That's well below the \$400 billion reserve fund in the budget.
- We will use the additional funds to increase the benefit level and improve the proposal overall. That's good news, as we've heard a lot of concern about the benefit gap.
- The bad news from the Republican side of the aisle is that CBO assumes almost no participation in PPO plans. | They told us that only 2% of beneficiaries would participate in these plans.
- Which means, of course, that the score for the additional bump in payments was not very expensive.

- Senator Grassley has called on Secretary Thompson to provide additional input on this matter. The CMS actuary believes that there will, in fact, be participation in the PPO plans, and Secretary Thompson will deliver that message to Republicans in their Finance members meeting.

- Additional news we received was on the drug fallback plan.

✓ CBO assumed, based on the information sent over by staff, that 30% of beneficiaries would be in fallback plans.

trade off
More stable but
less efficient

less
efficient
Not votes
for Graham
PBM

- And further, we understand from CBO that, like last year's tripartisan proposal, one-third of employers would drop retiree coverage.

Fixed %
up to \$5,000.
They have
more
cash

- There was some confusion about the policy, ~~however~~, so we are trying to revise the specs and language for the fallback and send these revisions over to CBO.

fallback

- Based on the scores we received, we are making changes to the bill. I'd like to walk through these changes with you now.
- First, we eliminated the temporary 2% increase in payments to PPOs. So that provision is no longer part of our policy.

- Second, we increased coverage of low-income beneficiaries to 160% of poverty. That's up from 150%.
- Third, we are revising our employer policy so that employers who provide retiree coverage get an up front payment rather than being subject to the "true out-of-pocket" policy that did not provide enough certainty for them.
- ✓ • Fourth, drug benefit premiums will be geographically adjusted to reflect differences in input costs.
- In addition to these changes, we are increasing the coverage level. While we're still waiting for CBO input, we will most likely use the additional money to narrow the coverage gap, either by increasing the cap on coverage or lowering the catastrophic level.

*closing
donot*

- Amendments: - CBO at table - certainly in order
• votes on all amendments
- Generics not in order
- Tax increases pay for spending above.